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ABSTRACT

A study assessed strategies agencies use to ensure that their workforces are receiving the training necessary to implement acquisition initiatives. Focus was on the General Services Administration (GSA), National Aeronautics and Space Administration (NASA), and Department of Defense (DOD). Findings indicated that the critical elements important to acquisition initiative training are prioritizing the acquisition initiatives most important to the agency; securing top-level commitment and resources; identifying those who need training on specific initiatives; tailoring training to meet workforce needs; tracking training to ensure it reaches the right people; and measuring training effectiveness. DOD, GSA, and NASA generally lacked a well-defined process that fully incorporates all six elements. These conditions facilitated using the key elements in an approach to training on acquisition initiatives: establishing an organizational focal point with authority over the wide range of personnel involved in the acquisition process; integrating training into the planning for policy implementation; and using the Federal Acquisition Institute to coordinate and facilitate training on government-wide initiatives. (Appendixes include scope and methodology and DOD and NASA comments.) (YLB)

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ED 474 214

United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on Technology and Procurement Policy, Committee on Government Reform, House of Representatives

January 2003

ACQUISITION MANAGEMENT

Agencies Can Improve Training on New Initiatives

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Highlights

Highlights of GAO-03-281, a report to the Chairman, Subcommittee on Technology and Procurement Policy, House Committee on Government Reform

ACQUISITION MANAGEMENT

Agencies Can Improve Training on New Initiatives

Why GAO Did This Study

The federal government is dramatically changing the way it purchases goods and services by relying more on judgment and initiative versus rigid rules for making purchasing decisions. Congress has enacted a series of reforms to help the government adapt to this environment.

GAO was asked to assess strategies agencies are using to ensure that their acquisition workforces are receiving the training needed to operate in a changing business environment. In doing so, GAO looked at the General Services Administration (GSA), the National Aeronautics and Space Administration (NASA), and the Department of Defense (DOD). GAO also looked at the Federal Aviation Administration (FAA) because it is exempt from federal acquisition laws, giving it greater flexibility and discretion.

What GAO Recommends

GAO is recommending that the Office of Federal Procurement Policy develop a policy that calls on agencies to adopt the elements of the approach used by leading organizations; establish a focal point that can reach beyond the contracting community to set training requirements; and integrate training into planning for policy implementation.

In response to a draft of this report, the Office of Federal Procurement Policy said that it would assess the current policy framework.

www.gao.gov/cgi-bin/getrpt?GAO-03-281.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Dave Cooper at (202) 512-4841 or cooperd@gao.gov.

What GAO Found

Industry and government experts alike recognize that training is a critical tool in successfully implementing change. To deliver training effectively, leading organizations typically prioritize initiatives that are most important to them, identify those needing training and set requirements, and ensure that their training reaches the right people. Top leadership supports these efforts by working to overcome resistance, marshalling resources, and building commitment to new ways of doing business. This approach, which incorporates the six elements that have been identified as key to training success, helps to ensure that training is well planned rather than left to chance.

This approach was not consistently evident at the agencies GAO reviewed. While agencies had efforts underway to make training available and raise awareness of major acquisition initiatives, they often did not have an identifiable process for assuring that training reached all those who played a role in successful implementation. For example, DOD and the Army employed most elements of the approach in implementing training on one acquisition initiative—performance-based contracting. In particular, they set training as a high priority and defined who would be targeted for training. But their use of the elements was not evident on another initiative GAO examined. Similarly, the approach taken by GSA and NASA did not fully incorporate the key elements GAO identified.

The approach taken by FAA was somewhat different. It created an organizational focal point to define a process and facilitate the management of its acquisition workforce, and it employed many of the key elements in its approach. For example, it created a special council of agency executives to establish priorities.

Overall, GAO found that certain conditions tended to facilitate or hinder implementation of the key elements. For example, having a focal point that could reach beyond the contracting community helped to ensure that training was delivered to the right staff. Civilian agencies have not been supported by an agency that coordinates training on governmentwide initiatives. Procurement executives expressed the view that the Federal Acquisition Institute should fulfill this role for civilian agencies.

Key Elements for Acquisition Initiative Training	
Prioritize initiatives so that the agency is focused on training that is most relevant to its mission	Tailor training so that staff get the training that is most appropriate to them
Demonstrate top level commitment and provide resources	Track training to ensure it reaches the right people at the right time
Identify those needing training and set requirements so that training reaches the right staff	Measure the effectiveness of training so that further improvements can be made

Source: GAO.

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Abbreviations

DOD	Department of Defense
FAA	Federal Aviation Administration
GSA	General Services Administration
NASA	National Aeronautics and Space Administration
OMB	Office of Management and Budget

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United States General Accounting Office
Washington, DC 20548

January 15, 2003

The Honorable Tom Davis
Chairman, Subcommittee on Technology and Procurement Policy
Committee on Government Reform
House of Representatives

Dear Mr. Chairman:

The federal government is dramatically changing the way it purchases goods and services. As it strives to maximize the value of the $200 billion it spends annually, it is increasingly emulating the practices of commercial industry. As a result, rigid rules have given way to practices that rely more on the judgment and initiative of the individuals that make up the acquisition workforce. To help the government adapt to this changing environment, Congress enacted a series of acquisition reform initiatives in the 1990s. To take full advantage of these and subsequent initiatives and to spend money wisely, agencies need to train their workforces to ensure they have the skills necessary to operate in a changing business environment.

Our recent work on purchase cards highlighted what can happen when training is ill-planned. The use of purchase cards was greatly expanded in order to simplify small procurements, and many more people were provided with the authority to make purchases on the government's behalf. Yet, at some Department of Defense (DOD) locations we reviewed, the expanded authority was not accompanied by appropriate training which, when coupled with poor internal controls and inadequate guidance, left DOD vulnerable to fraudulent, wasteful, or abusive purchases.[1]

Because training is a critical element in achieving change, you asked us to assess the strategies agencies use to ensure that their workforces are receiving the training necessary to implement acquisition initiatives. To do this, we (1) identified elements of an approach to training that are critical to training on acquisition initiatives, (2) assessed the extent that agencies'

[1] U.S. General Accounting Office, *Control Weaknesses Leave Army Vulnerable to Potential Fraud and Abuse*, GAO-02-863T (Washington, D.C.: July 17, 2002) and U.S. General Accounting Office, *Control Weaknesses Leave Army Vulnerable to Fraud, Waste, and Abuse*, GAO-02-844T (Washington, D.C.: July 17, 2002). Further purchase card testimony and report titles are at the back of this report.

strategies used these elements, and (3) identified conditions that facilitate or hinder the use of the key elements in their approach to training on acquisition initiatives. Our review focused on the General Services Administration (GSA), the National Aeronautics and Space Administration (NASA), and DOD. Together, these agencies represented 76 percent[2] of total contract dollars obligated in fiscal year 2001. We examined whether agencies' strategies for translating acquisition initiatives into training incorporated the key elements. To gain an understanding of the process, we examined how DOD, GSA, and NASA applied their approaches to implementing a specific initiative, performance-based service contracting.[3] In addition, at DOD we looked at another initiative, the use of commercial and nondevelopmental items, because this initiative directly affects how DOD acquires weapon systems. We also looked at the Federal Aviation Administration (FAA) approach to training its workforce because its acquisition management system is exempt from all federal acquisition regulation and laws, giving it greater flexibility and discretion. We did not assess the effectiveness of the training provided by the agencies we reviewed. Further details on our objectives, scope, and methodology can be found in appendix I.

Results in Brief

Training is recognized by industry and government experts alike as a critical tool in successfully introducing, implementing, and reacting to change. The critical elements important to acquisition initiative training include (1) prioritizing the acquisition initiatives most important to the agency, (2) securing top-level commitment and resources, (3) identifying those who need training on specific initiatives, (4) tailoring training to meet the needs of the workforce, (5) tracking training to ensure it reaches the right people, and (6) measuring the effectiveness of training. Agencies that do not focus their attention on these critical elements risk having an acquisition workforce that is ill equipped to implement new processes. The probability of success is higher if training is well planned rather than left to chance.

[2] As reported in the Federal Procurement Data System for fiscal year 2001. Excludes construction dollars.

[3] Under performance-based service contracting, the agency identifies the results it wants, and the contractor decides on the best means to achieve the agency's objective. See U.S. General Accounting Office, *Guidance Needed for Using Performance-Based Service Contracting*, GAO-02-1049 (Washington, D.C.: September 2002).

Our assessment of the strategies used by DOD, GSA, and NASA to train their acquisition workforces on initiatives found that the agencies generally lacked a well-defined process that fully incorporates all six elements. Agencies had efforts underway to make training available and raise awareness of major acquisition initiatives, but too often they did not have an identifiable process for ensuring that training on significant acquisition initiatives reached those who played a role in successful implementation of the initiative.

DOD did not have an institutionalized approach that was applied consistently. DOD and the Army employed most elements in implementing one acquisition initiative—performance-based service contracting. For example, it set training as a high priority in its policy implementation directive and targeted training to the appropriate program, technical, financial, and other personnel. However, the use of the elements was not evident on another initiative we examined. Over the past year, DOD has moved toward a process that gives the Defense Acquisition University a greater role in training on new initiatives. GSA and NASA identified performance-based contracting as an important initiative and made training available through classroom and online learning opportunities. However, many of the key elements were absent or not fully addressed in their approach to training on new initiatives.

FAA's approach was somewhat different than the other agencies we reviewed. The Associate Administrator for Research and Acquisition created an organizational focal point to define a process and facilitate the management of their acquisition workforce. FAA employed many of the key elements in its approach, principally by creating a special council of agency executives within its acquisition and research organization to establish priorities and target resources to acquisition initiatives it assessed as a high priority.

Certain conditions tended to facilitate or hinder use of an approach that incorporates the key elements. First, the presence of an organizational focal point that could reach beyond the contracting community allowed training to be targeted to staff in a range of career fields that are integral to the success of an initiative, such as program, technical, and financial personnel. Second, integrating training into the planning for policy implementation supported an approach incorporating the key elements. Finally, civilian agencies, unlike DOD, are not supported by a training organization that develops or coordinates training resources on governmentwide initiatives. The Federal Acquisition Institute, which is

charged with supporting the civilian acquisition workforce, has not been engaged in training on acquisition initiatives.

We make recommendations on specific steps that the Office of Federal Procurement Policy can take to facilitate a sound management approach to training on acquisition initiatives.

Background

For decades the federal government has been struggling with ways to make the acquisition process more efficient. During the 1990s, Congress enacted two key pieces of acquisition legislation that affected training: the Defense Acquisition Workforce Improvement Act in 1990 for DOD and the Clinger-Cohen Act of 1996 for civilian agencies. Both were enacted to improve the management of the acquisition workforce.

In July 2002 GAO reported[4] on agency efforts to define and train their workforces to meet the requirements of the Defense Acquisition Workforce Improvement Act and the Clinger-Cohen Act. Our report addressed the training requirements in these acts, that is, the training requirements employees must meet to qualify for specific workforce positions. Such training normally occurs during the first few years of an employee's career. This report addresses another important element in successfully moving towards a changing business environment: training the relevant members of the workforce who have an integral role in the successful implementation of specific acquisition initiatives. The relevant workforce can include those in the contracting community, such as contracting officers and contracting officer technical representatives, as well as those outside the contracting community, such as program and financial managers.

The Defense Acquisition Workforce Improvement Act recognized acquisition as a multidisciplinary career field comprised of 11 functional areas, such as program management; engineering; procurement, including contracting issues; and logistics. In response to the act's requirements, DOD set education, training, and experience requirements for the functional areas and established the Defense Acquisition University to provide its acquisition workforce with the professional development and

[4] U.S. General Accounting Office, *Agencies Need to Better Define and Track the Training of their Employees*, GAO-02-737 (Washington, D.C.: July 2002).

training required to meet the standards for certification in specific acquisition career fields.

Civilian agencies, under the Clinger-Cohen Act, are required, in consultation with the Office of Federal Procurement Policy, to establish education, training, and experience requirements for their acquisition workforces. In implementing the provisions of the Clinger-Cohen act, the Office of Federal Procurement Policy issued policy letter 97-01, which defined the acquisition workforce to include contracting and purchasing specialists, contracting officers, contracting officer representatives, and contracting officer technical representatives, as well as other positions "in which significant acquisition-related functions are performed." The act creating the Office Of Federal Procurement Policy[5] was amended to establish the Federal Acquisition Institute, which, under the direction of the Office Of Federal Procurement Policy, was to promote the development and training of the acquisition workforce. The Federal Acquisition Institute was charged with developing the core curriculum needed to train the acquisition workforces of civilian agencies. The Procurement Executives Council, an interagency body of procurement executives, chartered a working group to provide advice and guidance to the acquisition institute in developing its educational and career management programs.

Critical Elements for Acquisition Initiative Training

> For the Contracting Services Association of America, training of the acquisition workforce has ranked as one of the top concerns for our membership because it is a critically important element of the reform process.
>
> **Testimony before the Subcommittee on Technology and Procurement Policy, May 2001**

Leading private and public organizations realize that their people largely determine their capacity for success. Our past reviews show that the training methods applied by leading commercial firms on new practices are the result of a focused, institutionally driven approach. This approach recognizes that workforces are the key to successfully implementing change and that training is a critical element in the process.

[5] The Office of Federal Procurement Policy Act, P.L. 93-400, codified in 41U.S.C.§401 et seq. The act created the Office Of Federal Procurement Policy within the Office of Management and Budget to provide governmentwide leadership to agencies in procurement matters.

In 1999,[6] we reported on how leading commercial organizations train their acquisition workforces on changing practices and how DOD would benefit from employing this approach to commercial best practices. We have also reported on how high performing organizations develop and manage their workforces. (A list of these GAO products is at the back of this report.) Based on this information, we identified and developed some key elements of an approach to training the relevant workforce on acquisition initiatives that we believe are crucial to successful implementation of acquisition initiatives. These elements and their importance are summarized in table 1.

Table 1. Key Elements for Acquisition Training and Why They Are Important

Key Element	Importance
Prioritize initiatives most important to an agency	Focuses on those acquisition initiatives that are most relevant to accomplishing the agency's mission
Demonstrate top-level commitment and provide resources	Emphasizes to managers, trainers, and implementers the importance of the initiative and the necessary support to sustain reform efforts
Identify those needing training and set training requirements	Targets training to those who are integral to the success of an initiative
Tailor training to meet the needs of the workforce	Recognizes that acquisition staff with different functions or at different levels may need customized training
Track training to ensure it reaches the right people at the right time	Increases the chances of having the right people with the right skills available when needed to implement acquisition initiatives
Measure the effectiveness of training	Links training to agency results, demonstrates improved individual and organization performance, and provides feedback for adjusting or redefining acquisition initiative training

Source: GAO.

We list prioritizing initiatives first because it sets the stage for employing the other elements. Prioritizing initiatives signals an agency's top-level commitment and allows it to concentrate its resources on initiatives deemed important to meeting its goals and missions and encourages it to better define the target population that needs training on a specific initiative. In conjunction with setting priorities, one of the most important elements is the demonstrated commitment of leaders to change. Top leadership involvement in making improvements is critical to overcoming an organization's natural resistance to change, marshalling the resources needed, and building an agencywide commitment to new ways of doing business. Our 1999 report found, in general, that leading commercial firms committed to and adopted seven or fewer key practices at any given time.

[6] U.S. General Accounting Office, *DOD Training Can Do More to Help Weapon System Programs Implement Best Practice*, GAO/NSIAD-99-206 (Washington, D.C.: August 1999).

One firm adopted only one or two, which enabled it to concentrate and target its resources to those employees most in need of training.

Identifying those who need in-depth training on a specific initiative is important because not all members of the workforce need training on every initiative and providing that level of training would be an inefficient use of resources. While awareness training (i.e., letting the workforce know of impending change) may be appropriate for the workforce in general, agencies need to identify those members of the workforce who are relevant to the success of an initiative for in-depth training. Training requirements need to be set and appropriately tailored to target the various groups involved in implementing change. As we noted in our 1999 report, the commercial companies with whom we spoke did not leave it to chance that those needing training will avail themselves of the opportunity.

In July 2002 we reported on the progress agencies were making in tracking the career education and continuous learning requirements of their acquisition employees. We reported that DOD and the military services use a centralized information system that is automatically updated with training and personnel data. Civilian agencies currently use less sophisticated programs to collect and maintain information on education, training, and continuing education, commonly relying on spreadsheets for tracking training. As of November 2002, a Web-based management information system to track training was being piloted by several federal agencies. A system to track the training received by those integral to the success of an acquisition initiative is important to ensure that the right people are getting the right training.

Because training strategies interact with other strategies and factors in attempting to change people and organizations, it is difficult to isolate the performance improvements resulting from training and development efforts. High-performing organizations, however, recognize the importance of assessing the results achieved from their training investments to determine whether they improved organizational and individual performance. It is important for agencies to have some way of measuring the results of acquisition training and the amounts of resources expended. As part of a balanced approach, agency assessments of acquisition training efforts would consider feedback from customers, employees, and organizational results.

Officials of the Procurement Executives Council, the Office of Federal Procurement Policy, the Director of the Federal Acquisition Institute, and

others agreed that the elements we focused on embody sound, fundamental management principles. Officials believe implementing these elements by blending them into initiative training efforts, rather than leaving training to chance, can help agencies ensure that their relevant workforces have the skills to contribute to the success of acquisition initiatives.

Inconsistent Use of Key Elements by Agencies for Training on Initiatives

DOD, GSA, and NASA generally lack an approach for training on acquisition initiatives that fully incorporates the six key elements. The agencies we reviewed varied in the extent they used the critical elements for training on acquisition initiatives, and none had fully implemented all six. Most of the elements were evident in DOD's implementation of one initiative—performance-based services contracting—but the approach was not consistently applied. DOD has modified its approach over the past year by expanding the role of the Defense Acquisition University, and the revised process incorporates more of the elements. GSA and NASA relied on making training available to staff without a formal system for clearly defining priorities, identifying which staff need training, or easily tracking who has been trained.

The FAA created the Intellectual Capital Investment Plan Council to meet the development needs of staff in its research and acquisition organization. FAA's approach differs significantly from that used by other agencies, and its method employs most of the key elements we identified.

While there was variance among the four agencies on most of the key elements, agencies used similar approaches to evaluating the effectiveness of training. Agencies generally relied on post-course student-generated evaluations that measure the extent to which the training met learners' expectations, was relevant to their work, and would help them do a better job in the future. For the most part, they did not obtain feedback from customers or assess organizational results.

DOD's Approach to Acquisition Workforce Training

In DOD, the Under Secretary of Defense for Acquisition, Technology and Logistics has control over all aspects of the acquisition workforce.[7] From this position, the Under Secretary can prioritize initiatives and target training to staff in a wide range of career fields and organizations. Within

[7] 10 U.S.C.§1702

the Under Secretary's office, the Acquisition Initiatives organization plays a critical role in policy development.[8] While the organizational framework is conducive to using the key elements, we found that results were inconsistent, demonstrating that the approach has not been institutionalized. DOD's implementation of one initiative we reviewed—performance-based service acquisition—largely addressed the key elements. However, for another initiative—use of commercial and nondevelopmental items—most elements were not fully addressed. Our assessment of DOD's approach is shown in figure 1.

Figure 1: Assessment of DOD's Acquisition Training Approach

Key elements	Level of process development
1. Prioritize initiatives most important to the agency	○
2. Demonstrate top-level commitment and provide resources	●
3. Identify those who need training on specific initiatives and set training requirements	○
4. Tailor training to meet the needs of the workforce	○
5. Track training to ensure it reaches the right people	●
6. Measure the effectiveness of training	○

● **High process development:** An established, identifiable process exists within the agency for systematically or routinely accomplishing this element.

○ **Some process development:** The agency has taken some action but has not developed a clearly defined process for accomplishing this element.

○ **Little to no process development:** No identifiable, established process exists within the agency to accomplish this element. Little evidence exists of substantial activity or efforts toward the development or improvement of this element.

Source: GAO analysis of DOD data.

[8] This office is being merged with another organization and reorganized. As of December 2002, the structure and functional responsibilities of this office were not available.

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Key elements present in implementing performance-based service contracting

> Training is essential if we are to successfully make the organizational cultural shift from a process-based acquisition environment to a performance-based environment in which we manage suppliers rather than supplies.
>
> **J.S. Gansler, Under Secretary of Defense for Acquisition, Technology and Logistics, October 1999**

DOD as well as the Office Of Federal Procurement Policy recognized that performance-based service contracting offered an approach for improving the government's purchases of services. However, performance-based contracting represents a fundamental change in how the government acquires services. Before such contracting, the government commonly specified the tasks it wanted performed. With performance-based contracting, the government identifies the results it wants and the contractor decides upon the best means to achieve the agency's objectives. Performance-based service acquisition requires that program, technical, contracting, and other staff work together to carefully define the desired results.

Recognizing this, the Under Secretary issued a policy memorandum setting goals for the use of performance-based service contracting.[9] The Under Secretary directed that within one year organizations were to train the relevant workforce in performance-based contracting. Thus, the Under Secretary linked training to the policy implementation process. The policy memorandum noted that training resources were available in the form of Web-based and on-site training courses specifically developed for DOD by commercial firms and that the DOD Change Management Center would, as requested, present real-time "how to" training sessions on writing performance-based service contract statements of work.

[9] The Office of Management and Budget (OMB) established greater use of performance-based contracts as one of several governmentwide reforms to be highlighted by the President in the fiscal year 2002 budget. OMB created a goal of awarding not less than 20 percent of contracts over $25,000 using performance-based methods for fiscal year 2002. See OMB Memorandum M-01-15.

> ...the goal of PBSA [performance based service acquisition] training is to make sure that our workforce is current on the knowledge and skills required to implement PBSA to the maximum extent practical....The importance of performance based contracting is underlined by the fact that it is a significant component of government reform in President Bush's Budget Plan.
>
> **Acting Assistant Secretary of the Army for Acquisition, Logistics and Technology, September 2001**

The Army mirrored DOD's process. The Army Deputy Assistant Secretary for Acquisition, Technology and Logistics issued memoranda linking policy and training and sending a signal to trainers and implementers about the importance of the initiative. The letters to major commands defined the core workforce as contracting officers, contracting officer representatives, program managers, and others.

In response to this top-level direction, Army components undertook efforts to get relevant staff trained on performance-based contracting. At the Army Communication–Electronics Command, for example, the commanding general instructed each component to identify and train the relevant workforce on performance-based service contracting and to report progress quarterly. All contracting officers in the command's acquisition organization were required to become current in performance-based service contracting because, according to officials, the organization provides contracting services based on a team concept to many different groups. According to command officials, the command also recognized that the success of performance-based contracting depended to a large extent on training relevant staff in various functional areas outside the contracting function, such as program management and logistics. Other command components, such as the Software Engineering Center, were required to identify those important to developing and monitoring a performance-based contract, such as engineers, requirements setters, and program managers. Training of these staff was mandatory and training progress reported on a quarterly basis to the command. In training staff, the command relied heavily on the on-line Web-based course developed by the National Association of Purchasing Managers/National Contract Management Association. The command also made onsite training courses available and employed a number of other training techniques such as Web-based knowledge centers, e-mails, and brief presentations by subject matter experts.

Some key elements not evident in DOD's training on commercial and non-developmental items

> Since the passage of the Federal Acquisition Streamlining Act of 1994, the preference...has shifted from the acquisition of items developed exclusively for the Government to the acquisition of commercial items...to take advantage of available and evolving technological innovations...and is essential to providing solutions that increase war fighter capabilities....
>
> ***Commercial Item Handbook*, November 2001**

Expanding the use of commercial and nondevelopmental items is a complex issue. It requires that program and technical staff be knowledgeable about the standards used in the commercial market and have the skill to conduct market research on what is available in the commercial market place. Contracting officers need an understanding of commercial pricing practices. The absence of a well thought out and carefully targeted approach to training on this complex initiative leaves it too much to chance that the right people are benefiting from the training offered on this issue.

DOD has repeatedly recognized the importance of acquiring commercial items to leverage the massive technology investment of the private sector and exploit the potential for reduced development times, faster insertion of new technologies, and lower life cycle costs. For example, in a June 2000 memorandum, the Under Secretary for Acquisition, Technology and Logistics emphasized the importance of this initiative and suggested that training acquisition staff in various functional areas would be necessary for its successful implementation. The Under Secretary's memorandum suggested training program managers in market research and training contracting and financial management personnel in commercial buying practices. However, in making these suggestions, the document does not provide a listing of what training courses are available nor does it set training requirements. Other policy documents on commercial and nondevelopmental items do not set training requirements.

> We are in an era of unprecedented change...our traditional processes and strategies for acquiring, developing, fielding and supporting weapons...must be adapted to the world we live in. We must expand the use of commercial items to...reap the benefits [of the commercial sector].
>
> **Under Secretary of Defense for Acquisition, Technology and Logistics, June 2000**

DOD and the Services make available numerous training aids on commercials items acquisitions developed by DOD and commercial firms,

including guidebooks, Web-based knowledge centers, and distance learning courses on market research, and have incorporated information into the curriculum for career development (i.e., certification training). However, beyond career development training, acquisition staff must seek out this training. For example, Army Communication and Electronics Command officials said that while they have a commercial items knowledge center, training is not targeted to specific communities, such as contracting or program management staff, and is not mandatory. Unlike the approach for performance-based service contracting, the command does not specifically identify who needs training on commercial and nondevelopmental items.

The Defense Acquisition University is taking a more active role in training on initiatives

DOD officials told us that they adopted GAO recommendations contained in our 1999 report in the plans for restructuring the Defense Acquisition University. To improve its ability to train the work force on best practices, DOD revised its continuous learning program, which provides training opportunities to staff who have completed career management training.[10]

Officials from the Acquisition Initiatives office (recently merged into a new organization named the Defense Procurement and Acquisition Policy office) believe that the continuous learning approach will be an effective way to provide training on reform initiatives. They pointed out that many of the career and continuous learning courses on reform initiatives are interchangeable and can be used for career-level training as well as continuous learning.

DOD also told us that it now has an outreach and communication template to aid in identifying the audience that needs to be aware of an initiative and recently brought in experts to help determine specific methods of delivery (e.g., e-mail message, handbook, hands-on training, Web-based training) to those audiences. According to acquisition office officials, DOD is also developing a process to leverage continuous learning modules created by the Services, industry, the Defense Procurement and Acquisition Policy office, and the Defense Acquisition University to ensure that there is no duplication of effort and to look for cost-sharing opportunities. Under the restructuring, the University will receive specific requirements to develop continuous learning modules through input from the Curriculum Development Support Center and the advisors for each of

[10] Staff who have completed career management training are required to take a certain number of hours of training each year.

the acquisition career fields. According to DOD, these requirements will be prioritized and sent to a decision board called the Career Management Overarching Integrated Process Team led by the Director, Acquisition Education, Training and Career Development. Implementation of this process began in 2002.

This process more clearly links initiatives to training and sets priorities. However, other elements are not fully addressed. In particular, the process does not address whether the continuous learning modules would include the kind of in-depth training associated with introducing significant changes or how those needing in-depth training, as opposed to awareness training, would be identified. The process also does not identify what organizations would identify who needs this type of training and set training requirements for specific initiatives.

GSA's Approach to Acquisition Workforce Training

GSA has made efforts to improve awareness of acquisition initiatives. It established the Office of Acquisition Workforce Transformation in 2001 to develop new training options and assess the skills of GSA's acquisition workforce. It also expanded the use of Web-based tools to make training more accessible. However, as shown in figure 2, many of the elements we identified are not evident in GSA's approach to training on acquisition initiatives. Instead, GSA has relied on making training available to staff without a system for clearly defining priorities, identifying which staff need training, or easily tracking who has been trained.

Figure 2: Assessment of GSA's Acquisition Training Approach

Key elements	Level of process development
1. Prioritize initiatives most important to the agency	○
2. Demonstrate top-level commitment and provide resources	●
3. Identify those who need training on specific initiatives and set training requirements	○
4. Tailor training to meet the needs of the workforce	○
5. Track training to ensure it reaches the right people	○
6. Measure the effectiveness of training	○

● **High process development:** An established, identifiable process exists within the agency for systematically or routinely accomplishing this element.

○ **Some process development:** The agency has taken some action but has not developed a clearly defined process for accomplishing this element.

○ **Little to no process development:** No identifiable, established process exists within the agency to accomplish this element. Little evidence exists of substantial activity or efforts toward the development or improvement of this element.

Source: GAO analysis of GSA data.

GSA's acquisition organization does not have a centralized process to systematically prioritize acquisition initiatives. Officials in GSA's Federal Technology Service stated that training based in regional offices is prioritized by the individual GSA services, relying on their own interpretations of acquisition regulations and administration policy. Officials said they emphasized performance-based service contracting because of the goals established by the administration. Implementation of these policies was left to GSA's major components.

Presently, GSA does not have a process to identify professionals who need training on specific initiatives. Moreover, the headquarters acquisition organization has authority only over those included in GSA's definition of its acquisition workforce: those professionals who hold warrants authorizing them to purchase goods and services, contracting officers, contracting officer technical representatives, property disposal professionals, and purchasing and procurement personnel. Technical, financial, or other professionals who may also be relevant to the successful implementation of acquisition initiatives are not included.

In the case of performance-based service contracting, Federal Technology Service officials said they relied on supervisors to ensure that staff involved with performance-based service contracting received training. However, the Federal Technology Service encouraged contracting and other technical staff to take training. In some cases they offered tailored training and were aware of customized training needs for information technology staff. The training was not made mandatory for staff in particular fields or roles.

> ...we recently established an Acquisition Workforce Office. Its mission is to develop, for the first time, a strategic human capital management plan for GSA's acquisition workforce.
>
> **Administrator, General Services Administration, November 2001**

GSA, however, does not have a system to track who has received training on acquisition initiatives. Regional officials said that an in-depth personnel file review would have to be conducted to acquire data on acquisition initiative training. The agency is currently participating in a governmentwide system pilot for the Acquisition Career Management Information System, which will monitor standardized training and certification information on the GSA acquisition workforce as well as be available to support other agencies. While the system will track the GSA acquisition workforce and its accomplishments, plans do not call for tracking relevant professionals outside GSA's currently defined acquisition workforce.

GSA is currently altering the way in which it will evaluate and educate its acquisition workforce. The Office of Acquisition Workforce Transformation plans to pilot a new assessment and training program beginning in January 2003. While the program is intended to help GSA take a more focused approach to acquisition workforce training, particularly career development training, it is too early to assess the new program or to tell whether it will help GSA improve the way in which it approaches training on acquisition initiatives or measures the effectiveness of training.

NASA's Approach to Acquisition Workforce Training

NASA also has made efforts to educate staff about initiatives such as performance-based contracting. Additionally, officials believed that top-level commitment was evident and added that there was sufficient funding for acquisition initiative training. However, a well developed approach to

acquisition workforce training, incorporating the elements identified by GAO, is lacking, as shown in figure 3.

Figure 3: Assessment of NASA's Acquisition Training Approach

Key elements	Level of process development
1. Prioritize initiatives most important to the agency	○
2. Demonstrate top-level commitment and provide resources	●
3. Identify those who need training on specific initiatives and set training requirements	○
4. Tailor training to meet the needs of the workforce	○
5. Track training to ensure it reaches the right people	○
6. Measure the effectiveness of training	○

● **High process development:** An established, identifiable process exists within the agency for systematically or routinely accomplishing this element.

○ **Some process development:** The agency has taken some action but has not developed a clearly defined process for accomplishing this element.

○ **Little to no process development:** No identifiable, established process exists within the agency to accomplish this element. Little evidence exists of substantial activity or efforts toward the development or improvement of this element.

Source: GAO analysis of NASA data.

Although NASA does not have a formal system for prioritizing acquisition initiatives, the agency does take action, such as through Web-based communications and training, to inform and educate the acquisition workforce about acquisition initiatives it perceives as important to the agency's mission. For example, to raise employee awareness and agency implementation of performance-based service contracting, NASA headquarters offered an initial orientation to employees at headquarters, Goddard Space Center, and other centers. It embedded performance-based service contracting in existing courses and formed a training committee to identify the center's training needs. Moreover, the desire for improving implementation of performance-based contracting led NASA management to initiate an internal review led by an Office of Procurement team in 1999. The review recommended changes in the performance-based service contracting training system such as identifying training that can be customized.

NASA does not use a defined process to identify personnel who should receive training on acquisition initiatives and does not mandate training beyond certification requirements. Instead, NASA relies on its centers to identify staff who need training. At Goddard, officials said that career development officers identify procurement professionals who should be trained, although no one is responsible for identifying other professionals who may benefit from training on acquisition initiatives. NASA defines its acquisition workforce as certified procurement professionals and procurement clerks and does not include in the definition other technical or program professionals who may be relevant to the implementation of an acquisition initiative. Officials stated, however, that performance-based service contracting training is made available to professionals outside the procurement field; for example, program managers and engineers.

Although NASA received assistance in developing some initial training on performance-based service contracting from the Navy and the Defense Acquisition University, it tailored the training to NASA personnel. Goddard also offered a 5-day performance-based service contracting course tailored to specific personnel such as administrators and specialists, project and program managers, and contracting officer technical representatives. Officials also said that other training is usually customized to be center-specific.

> Goddard's procurement training coordinator does not currently maintain centralized records indicating the dates that specific individuals completed contracting officer technical representative training...our interviews...indicated that the majority had not had any type of contracting officer technical representative training within the last five years.
>
> **NASA Office of Inspector General Report, June 2002**

NASA does not have a centralized system for tracking who has been trained. Each center is responsible for tracking its own training. At Goddard, officials use employees' individual development plans and center-specific databases to track staff training. Short of a comprehensive review of personnel records, this system does not allow management officials to identify relevant, noncertified professionals who have received training. In the future, the system being piloted by GSA will be available to NASA to support tracking of training.

NASA makes some effort to go beyond course assessments to evaluate the effectiveness of training. It reports surveying its program managers to assess the quality of service provided.

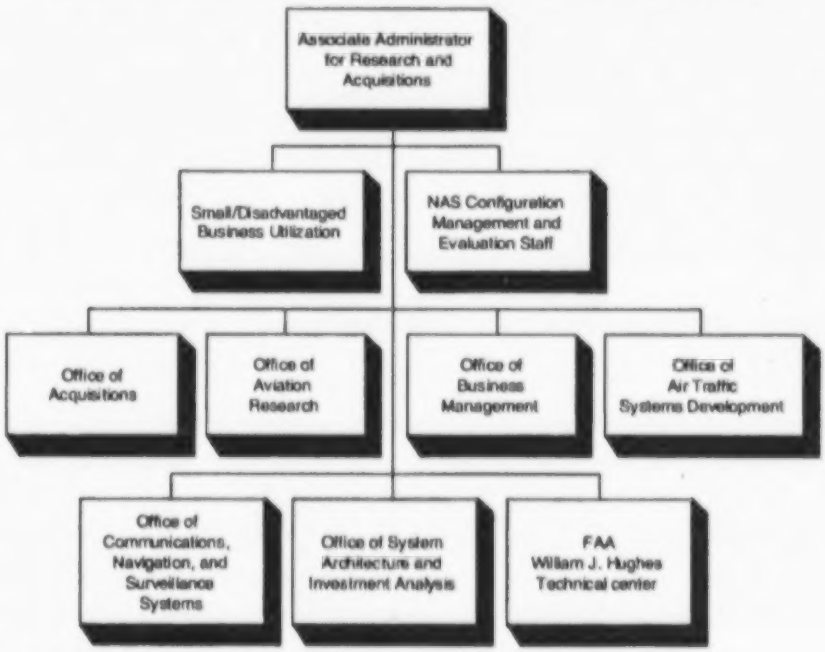
FAA's Research and Acquisitions Organization Approach to Acquisition Workforce Training

> One organization that has put in place a successful human capital investment program is the Federal Aviation Administration's Office of Research and Acquisitions... The program was one of [the Office's] initiatives in response to congressional mandates to reform acquisitions and personnel practices.
>
> **National Academy of Public Administration, *Workforce Planning Guide*, May 2000**

The FAA's Associate Administrator for Research and Acquisitions has a unique approach for managing its acquisition workforce, one that provides a framework for implementing many of the six key elements. In October 1997, the Intellectual Capital Investment Plan Council was created to address the organization's workforce development needs. Creation of the Council followed enactment of legislation[11] that exempted FAA's new acquisition management system from all federal acquisition regulation and laws. Responsibility for developing and managing this system was vested in the Office of Research and Acquisitions, headed by an associate administrator, as shown in figure 4.

[11] The Department of Transportation and Related Agencies Appropriations Act of 1996, section 348 of P.L. 104-50.

Figure 4: Organizational Structure of the Associate Administrator for Research and Acquisitions and Participants in the Intellectual Capital Investment Plan Council


Associate Administrator for Research and Acquisitions
Small/Disadvantaged Business Utilization
NAS Configuration Management and Evaluation Staff
Office of Acquisitions
Office of Aviation Research
Office of Business Management
Office of Air Traffic Systems Development
Office of Communications, Navigation, and Surveillance Systems
Office of System Architecture and Investment Analysis
FAA William J. Hughes Technical center

Source: FAA.

The Director of the Office of Business Management heads the council, which is composed of directors and deputy directors from each of the offices as well as the Chief Scientist for Human Factors. Each year the council prepares an investment plan that prioritizes initiatives and allocates funding for the associate administrator's workforce planning and development. The council also provides a focal point to facilitate the management of workforce development.

In recent years, the council identified and prioritized initiatives that it saw as important to its research and acquisitions organization, such as an emphasis on integration of human factors into system design. It did not prioritize performance-based service contracting as a priority.

The figure below shows how closely the associate administrator office's training approach incorporates the elements critical to acquisition initiative training that we identified.

Figure 5: Assessment of FAA's Acquisition Training Approach

Key elements	Level of process development
1. Prioritize initiatives most important to the agency	●
2. Demonstrate top-level commitment and provide resources	●
3. Identify those who need training on specific initiatives and set training requirements	○
4. Tailor training to meet the needs of the workforce	●
5. Track training to ensure it reaches the right people	●
6. Measure the effectiveness of training	○

● **High process development:** An established, identifiable process exists within the agency for systematically or routinely accomplishing this element.

○ **Some process development:** The agency has taken some action but has not developed a clearly defined process for accomplishing this element.

○ **Little to no process development:** No identifiable, established process exists within the agency to accomplish this element. Little evidence exists of substantial activity or efforts toward the development or improvement of this element.

Source: GAO analysis of FAA data.

One council goal is to "establish investment priorities to support the required workforce changes."[12] The council gives the research and acquisitions organization a structure for comprehensively reviewing and funding acquisition workforce training initiatives.

The acquisition organization targets training to specific groups of professionals. These groups encompass an array of disciplines, including scientists, engineers, business managers, financial analysts, and contracting officers, as well as other critical roles identified by the council. However, while the organization strongly encourages training, it does not mandate training on initiatives.

[12] 1998 Intellectual Capital Investment Plan.

Training is often tailored to staff in different roles or disciplines. For example, when the FAA introduced its new acquisition system, it offered an overview course and later developed courses of different lengths to accommodate different professional needs. Additionally, the organization has developed its own tracking system that allows training coordinators to query it and identify who has received training on specific initiatives.

Conditions That Facilitate the Use of Key Elements for Acquisition Initiative Training

Our discussions with agency officials and the input we received from the Procurement Executives Council highlighted certain conditions that facilitate using the elements in an approach to training on acquisition initiatives. The absence of these conditions may limit the capability of agencies to implement acquisition initiatives for the relevant workforce. These conditions include:

- establishing an organizational focal point with authority over the wide range of personnel who are involved in the acquisition process,
- integrating training into the planning for policy implementation, and
- using the Federal Acquisition Institute to coordinate and facilitate training on governmentwide initiatives.

First, having an organizational focal point with the authority to reach beyond the contracting community to other disciplines, such as program managers and requirements setters, facilitates using the six key elements in an approach to training on acquisition initiatives. Implementing some acquisition initiatives draws on staff from a range of functions and career fields. For example, conducting a successful performance-based service acquisition requires careful evaluation of real needs and requirements so that a statement of objectives can be developed that identifies the results or outcomes the agency is trying to realize from a particular acquisition. Participation by those developing the requirement is central to this effort. Thus, successful implementation of performance-based service contracting requires participation by users as well as other program, financial, legal, and related staff.

Both FAA and DOD have such a focal point. FAA established the Intellectual Capital Investment Plan Council, which is made up of directors and deputy directors of its acquisition and research programs. Within DOD, the Office of the Under Secretary for Acquisition, Technology and Logistics has authority for DOD acquisition. Both organizations have authority over the range of career fields that are engaged in the acquisition process.

In contrast, civilian agencies commonly define the acquisition workforce in terms of contracting personnel. This is true in the case of NASA and GSA as well as Health and Human Services, an agency we discussed in our July 2002 report.

While this approach complies with some of the Clinger-Cohen Act's requirements, which state that the acquisition workforce should include contracting and procurement specialists, agencies have not expanded their definitions to include all positions in which "significant acquisition-related functions are performed," as required by the act. Failing to expand the definition limits the ability of acquisition officials to target training to personnel outside the contracting function. Our July 2002 report recommended that the Office of Federal Procurement Policy work with agencies to further refine the definition of the acquisition workforce.

Second, integrating training into implementation plans also facilitates this approach. Among the cases we examined, DOD's and the Army's implementation of performance-based service contracting included many of the six key elements. A central feature of this initiative was the recognition that performance-based service contracting represented a significant change in the way services were acquired and that training the relevant workforce would be necessary to define service requirements effectively. The policy memorandum of the Under Secretary of Defense for Acquisition, Technology and Logistics, which set a goal of increasing performance-based service contracting, established a requirement that the relevant workforce be trained within a year. This contrasted with the approach used on expanding the use of commercial and nondevelopmental items. Although the use of commercial and nondevelopmental items was emphasized and communicated in memorandums, an implementation strategy was not formalized and training requirements were not set.

Finally, civilian agencies have not been supported by an organization that coordinates training on governmentwide initiatives. The Federal Acquisition Institute supports civilian agency training of the acquisition workforce. However, over the last several years the institute has focused on career management issues. Although involved in awareness training, such as conferences and lunchtime seminars, officials told us the institute has not been funded to develop training resources to support the implementation of new initiatives. Members of the Procurement Executives Council, in commenting on the key elements we developed, noted that adequate resources were needed and stated that the Federal

Acquisition Institute "should be sufficiently funded to lead governmentwide training efforts on procurement reforms."

While the Office of Federal Procurement Policy provides policy direction to the Federal Acquisition Institute, the institute is located in and receives support from GSA. Recently, GSA began a process of outsourcing the functions of the Federal Acquisition Institute. This restructuring is intended to revitalize and refocus acquisition training within the federal government and to improve the institute's effectiveness in acquisition workforce development and management. The outsourcing process is expected to give the Procurement Executives Council a stronger role in setting priorities for the institute, although no plan or agreement has been developed to define and formalize this role.

Conclusions

Leading organizations employ many key elements that provide assurance that the right people will have the right skills to implement change. Such an approach is not consistently evident at the agencies we reviewed. We believe that it should be. As the government continues to undertake reforms aimed at making itself a more commercial-like buyer, it cannot afford to leave it to chance that people are getting the necessary training to make this transformation. The Office of Federal Procurement Policy, which provides government leadership for agencies on procurement matters, is in a good position to take a proactive role in promoting the key elements across federal agencies and to ensure that civilian agencies have a strong role in setting priorities for the Federal Acquisition Institute. Such actions would be consistent with the emphasis the President's management agenda places on human capital.

Recommendations for Executive Action

We recommend that the Administrator, Office of Federal Procurement Policy, develop a policy that calls on agencies to

- establish an approach to training on new acquisition initiatives that includes (1) prioritizing the initiatives most important to the agency, (2) demonstrating top-level commitment and providing necessary resources, (3) identifying those who need training on specific initiatives, (4) tailoring training to meet the needs of the workforce, (5) tracking training to ensure it reaches the right people, and (6) measuring the effectiveness of training;
- establish a focal point that sets training requirements for staff integral to the success of acquisition initiatives, including those outside the contracting community; and

- integrate training into the planning for policy implementation.

We also recommend that the Administrator, Office of Federal Procurement Policy, define the role of agency procurement executives in setting priorities for the restructured Federal Acquisition Institute.

Agency Comments and Our Evaluation

The Office of Federal Procurement Policy provided official oral comments on a draft of this report. DOD and NASA provided written comments that are included in appendixes II and III. Neither FAA nor GSA provided official written or oral comments.

The Office of Federal Procurement Policy stated, in response to the report's first recommendation, that it will review the current policy framework to see whether additional guidance is needed to insure that agencies provide appropriate training to the acquisition workforce. In response to the second recommendation, the Office of Federal Procurement Policy stated that it is closely following the restructuring of the Federal Acquisition Institute and will work with the procurement community to be sure that the Institute will meet the training needs of the acquisition workforce. Given the gaps we identified in agencies' training approaches, we believe that changes are needed in the current policy framework to incorporate best commercial practices and prepare the workforce for new challenges.

DOD agreed that the report's assessment of its training efforts on the two initiatives is valid. DOD disagreed with the statement that its outreach and communication template does not address how those needing in-depth training, as opposed to awareness training, would be identified. While DOD's statement may reflect what is intended with the template, the template itself only asks for the identification of the intended audience for outreach efforts without specifically discussing the audience needing different types of training.

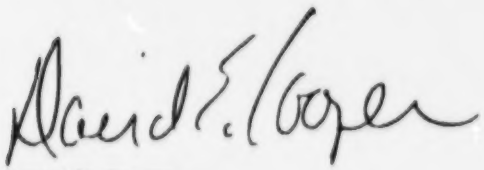
NASA commented that it was pleased that the report recognized efforts to educate staff about initiatives such as performance based contracting and stated that the articulation for the first time of the "key element" standards will assist federal agencies' future development of more effective training programs in the vitally important area of acquisition. NASA also stated that it believed that the agency was closer to meeting the high process development standard in the other elements than was recognized in the report and highlighted four areas of activity in support of that statement.

We reviewed NASA's comments, but we do not believe a change in our assessment is appropriate since our evaluation indicates that, while selected initiatives have followed a process that incorporates many of the key elements, NASA does not have a well-defined, identifiable process that fully addresses these elements.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days from the date of this letter. At that time, we will send copies to other interested congressional committees, the secretaries of Defense and Transportation, and the administrators of General Services Administration, the National Aeronautics and Space Administration, and the Office of Federal Procurement Policy. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have questions about this report, please contact me at (202) 512-4125. Key contributors to this report are listed in appendix IV.

Sincerely yours,



David E. Cooper
Director
Acquisition and Sourcing Management

Appendix I: Scope and Methodology

To identify and develop the critical elements important to acquisition workforce training that are cited in this report, we conducted an extensive review and analysis of past GAO human capital and best practices reports. Appendix II provides a comprehensive list of relevant GAO reports we evaluated. We also reviewed private-sector studies and commercial training organization and federal agency Web sites for information on training approaches. Additionally, we consulted with other organizations that are engaged in acquisition initiative training issues. We solicited comments on the six key elements from the Director, Defense Procurement; the Director, Federal Acquisition Institute; the Chairman of the Procurement Executives Council's Acquisition Workforce Committee; officials of the Office of Federal Procurement Policy; and GSA's Deputy Associate Administrator for Acquisition Policy. In their comments, these officials generally agreed that the six key elements we identified represented fundamentally sound management principles.

To assess whether the agencies in this review addressed the key elements we identified, we analyzed the degree to which each agency has developed a process that uses the elements important to acquisition workforce training. Within DOD we conducted a detailed examination of the Army, and at the Army, GSA, and NASA we followed the process through at a subordinate organization, contacting the Federal Technology Service at GSA, Goddard Space Center at NASA, and the Army's Communications–Electronics Command in Ft. Monmouth, New Jersey. We assessed FAA's Research and Acquisitions organization because it is exempt from federal acquisition regulation and laws and uses a different approach to managing its acquisition workforce. Additionally, we reviewed and analyzed a wide range of documents, including guidance and policy memoranda, reports, fact sheets, course attendance rosters, workforce plans, and human capital and workforce studies. We also obtained agency and training information from federal and commercial Web sites. We also consulted with numerous officials representing the following organizations:

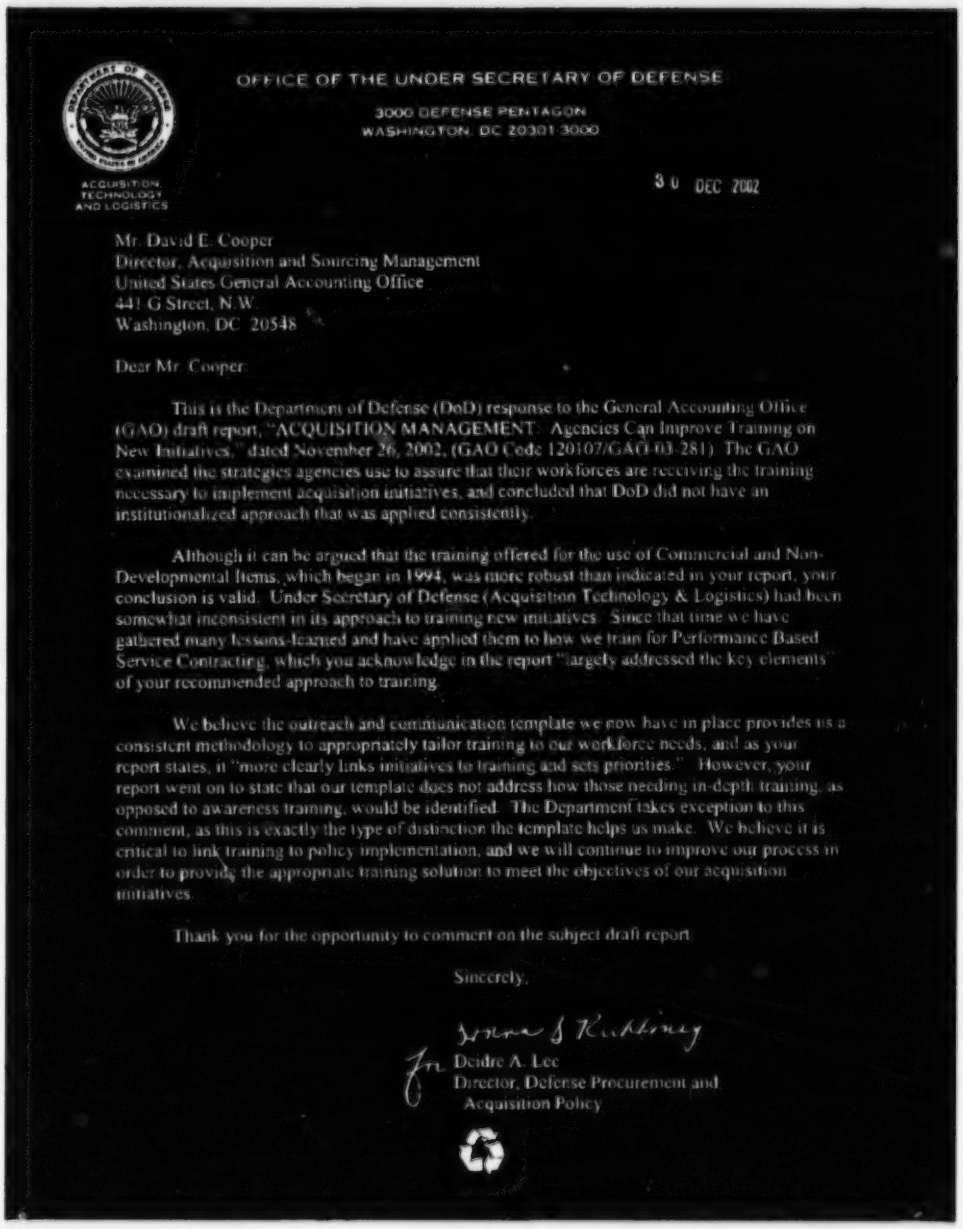
- Department of Defense
- Department of the Army
- Department of the Navy
- Department of the Air Force
- General Services Administration
- National Aeronautics and Space Administration
- Federal Aviation Administration
- Office of Federal Procurement Policy
- Procurement Executives Council
- Federal Acquisition Institute

- Defense Acquisition University

To identify the conditions that facilitate or hamper the implementation of the six key elements we identified, we analyzed officials' comments and input on the six elements and incorporated some of this feedback into our report. We also analyzed the results of our discussions with agency officials and compared this to acquisition workforce information obtained from earlier GAO reports and other documents. We did not evaluate the effectiveness of agency training programs.

Our review was conducted from October 2001 through September 2002 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the Department of Defense



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION, TECHNOLOGY AND LOGISTICS

30 DEC 2002

Mr. David E. Cooper
Director, Acquisition and Sourcing Management
United States General Accounting Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Cooper:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "ACQUISITION MANAGEMENT: Agencies Can Improve Training on New Initiatives," dated November 26, 2002, (GAO Code 120107/GAO-03-281). The GAO examined the strategies agencies use to assure that their workforces are receiving the training necessary to implement acquisition initiatives, and concluded that DoD did not have an institutionalized approach that was applied consistently.

Although it can be argued that the training offered for the use of Commercial and Non-Developmental Items, which began in 1994, was more robust than indicated in your report, your conclusion is valid. Under Secretary of Defense (Acquisition Technology & Logistics) had been somewhat inconsistent in its approach to training new initiatives. Since that time we have gathered many lessons-learned and have applied them to how we train for Performance Based Service Contracting, which you acknowledge in the report "largely addressed the key elements" of your recommended approach to training.

We believe the outreach and communication template we now have in place provides us a consistent methodology to appropriately tailor training to our workforce needs, and as your report states, it "more clearly links initiatives to training and sets priorities." However, your report went on to state that our template does not address how those needing in-depth training, as opposed to awareness training, would be identified. The Department takes exception to this comment, as this is exactly the type of distinction the template helps us make. We believe it is critical to link training to policy implementation, and we will continue to improve our process in order to provide the appropriate training solution to meet the objectives of our acquisition initiatives.

Thank you for the opportunity to comment on the subject draft report.

Sincerely,

Deidre A. Lee
Director, Defense Procurement and Acquisition Policy

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Appendix III: Comments from the National Aeronautics and Space Administration

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

National Aeronautics and
Space Administration
Office of the Administrator
Washington, DC 20546-0001

December 20, 2002

Mr. David E. Cooper
Director
Acquisition and Sourcing Management
United States General Accounting Office
Washington, DC 20548

Dear Mr. Cooper:

NASA has reviewed the draft GAO report "Acquisition Management: Agencies Can Improve Training on New Initiatives" (GAO-03-281) and thanks you for the opportunity to provide comments. We were pleased the report noted NASA has made efforts to educate staff about initiatives such as performance based contracting. We were also pleased the report noted our top-level commitment was evident and that there was sufficient funding for acquisition initiative training.

In reviewing the report we were disappointed to note that we were not recognized for meeting the "high process development" standard for the other elements deemed critical for a successful training program implementation. It is our opinion that we are closer to the top standard than the report depicts, in that:

See comment 1.

1. Within NASA, the establishment of acquisition initiatives is formally controlled under ISO-9000 certification through HQOWI-5100-H001A, "Develop and Implement Initiatives" dated April 10, 2000. The process set forth in this document ensures that acquisition initiatives are undertaken only when they are deemed to be relevant to accomplishing NASA's mission. It also recognizes that training can be a critical part of an initiative and requires planning in the implementation methodology to ensure those who need training on a specific initiative receive it.

See comment 2.

2. The report does not recognize that acquisition initiatives are often conducted on a "pilot" basis. As such, broad-based training of the acquisition workforce as these initiatives are conducted is inappropriate. This is a key point that may have been overlooked in this report. If an initiative involves development of a new business approach, training will not exist until the approach is tested and refined by the pilot teams. Consequently, we seek to inform our workforce of the ongoing activity, the potential benefits, and the progress to date. Once the pilot has proven successful, we have found that peer-to-peer training in workshop forums is very effective in meeting the training needs of the workforce. Our Procurement Conference 2002 was an

See comment 3.

See comment 4.

example of this targeted training methodology, with over 250 attendees from the NASA procurement workforce.

3 While the report mentions our review of Performance Based Contracting (PBC) conducted in 1999, it did not capture the true extent of that activity. It was a formal assessment of a prior "initiative" that included extensive surveys of contractors, NASA program managers and Center senior management, and contracting professionals. The purpose of the assessment was to measure the effectiveness of our implementation of PBC, including training.

4 The NASA FAR Supplement requires training of Contracting Officer Technical Representatives (COTR) in key areas. Recognizing that innovative acquisition and contract management methods and techniques had been introduced or refined since COTRs received their required instruction, in September 2001, the Assistant Administrator for Procurement required refresher training for COTRs. NASA also conducts Source Evaluation Board training, with an emphasis on just-in-time training for personnel (both technical and procurement) selected for upcoming competitive procurements – further evidence of ensuring that acquisition training reaches the right people.

In summary, we believe we have efforts underway to make acquisition training available to all appropriate employees, and to raise awareness of major acquisition initiatives. Additionally, we have an identifiable process for assuring that training on significant acquisition initiatives reach those who play a role in successful implementation of the initiatives.

We appreciate the opportunity to comment on this report. We also believe that the articulation for the first time of the "key element" standards will assist federal agencies future development of more effective training programs in the vitally important area of acquisition.

If you have any questions, or require additional information, please contact Tom Luedtke, Assistant Administrator for Procurement at 202-358-2090.

Cordially,

Frederick D. Gregory

Frederick D. Gregory
Deputy Administrator

The following are GAO's comments on the National Aeronautics and Space Administration letter dated December 20, 2002.

GAO Comments

1. The instruction contains only cursory references to training. It does not define, for example, a process to identify and obtain training resources, set training requirements, identify those who need to be trained, track who received training, or monitor the effectiveness of training.

2. NASA's pilot approach is fully consistent with the key elements presented in our report. At an appropriate point in the pilot implementation process, the agency needs to assess what training is suitable for particular staff involved in each initiative.

3. While NASA's attention to performance based contracting was positive, NASA's review did not measure the effectiveness of training but rather highlighted the frustration expressed by NASA personnel over the absence of high quality training in specific areas.

4. The existence of a well thought-out training strategy in these areas is laudable. However, NASA's strategy does not go far enough in the development of a process that can be applied to acquisition workforce training. Our assessment focused on whether a well-defined process existed for developing a training strategy on all important initiatives.

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contacts

David Cooper, (202) 512-4125
Karen Zuckerstein, (202) 512-6785

Acknowledgments

In addition to those named above, Kimberley Ebner, Ralph Roffo, Jeffrey Rose, Sylvia Schatz, Paul Schearf, and Richard Silveira made key contributions to this report.

Related GAO Products

Acquisition Workforce: Status of Agency Efforts to Address Future Needs. GAO-03-55. Washington, D.C.: December 18, 2002.

Contract Management: Guidance Needed for Using Performance Based Service Contracting. GAO-02-1049. Washington, D.C.: September 23, 2002.

Acquisition Workforce: Agencies Need to Better Define and Track the Training of their Employees. GAO-02-737. Washington, D.C.: July 29, 2002.

Travel Cards: Control Weakness Leave Army Vulnerable to Potential Fraud and Abuse. GAO-02-863T. Washington, D.C.: July 17, 2002.

Purchase Cards: Control Weakness Leave Army Vulnerable to Fraud, Waste, and Abuse. GAO-02-844T. Washington, D.C.: July 17, 2002.

Purchase Cards: Control Weaknesses Leave Army Vulnerable to Fraud, Waste, and Abuse. GAO-02-732. Washington, D.C.: June 27, 2002.

Purchase Cards: Continued Control Weaknesses Leave Two Navy Units Vulnerable to Fraud and Abuse. GAO-02-506T. Washington, D.C.: March 13, 2002.

Purchase Cards: Control Weaknesses Leave Two Navy Units Vulnerable to Fraud and Abuse. GAO-02-32. Washington, D.C.: November 30, 2001.

Human Capital: Attracting and Retaining a High Quality Information Technology Workforce. GAO-02-113T. Washington, D.C.: October 4, 2001.

Human Capital: A Self-Assessment Checklist For Agency Leaders. GAO/OCG-00-14G. Washington, D.C.: September 1, 2000.

Human Capital: Implementing An Effective Workforce Strategy Would Help EPA to Achieve Its Strategic Goals. GAO-01-812. Washington, D.C.: July 31, 2000.

Human Capital: Design, Implementation, and Evaluation of Training at Selected Agencies. GAO/T-00-131. Washington, D.C.: May 18, 2000.

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